



Irish Life Weekly Investment Bulletin

The week that was – WEEK 50 (ending 09/12/2016)

“I will go anywhere as long as it is forward.” - David Livingstone

ESRI predicts Irish economy to grow by 3.7% p.a. through 2016-20 – The Economic and Social Research Unit in its medium-term outlook for the Irish economy forecasted GDP growth of 3.7% per annum for the 2016-2020 period, with an unemployment rate of 7.3% p.a. and an average wage growth of 3.7% p.a.

ECB extends QE to December 2017 – The European Central Bank announced that it would extend its quantitative easing program until December 2017, with a monthly purchases reduction to €60 billion from €80 billion. The ECB also tweaked its rules to allow the purchase of bonds yielding less than its -0.4% deposit rate.

Greece opposes extension of austerity beyond 2018 – Greece welcomed the euro zone's offer of short-term debt relief to be applied before 2018 at the finance ministers meeting but urged Germany and the International Monetary Fund to drop their demands for harsher austerity once bailout program expires in 2018.

Global stock market up 3.2% on the week – The MSCI AC World had a 3.17% return from 2nd December to 9th December as the S&P 500 index and the Dow Jones surged to record highs with property and telecom stocks joining the post-election rally. European stocks also outperformed with their best week since February.

China's exports and imports rise defy expectations – China's trade data surprised analysts to the upside this week as imports and exports both increased sharply in November. Exports rose 0.1 % year over the year, reversing a 7.3% decline recorded in October, while imports grew 6.7%, the fastest rate since 2014.

Initial U.S. unemployment claims decline – First-time jobless claims dropped during week by 10,000 to 258,000, reversing the trend that sent the previous week's total to its highest level in five months. Initial claims have remained below the 300,000 threshold for 92 consecutive weeks, its longest run since 1970.

The Story of the week: For nearly 60 years, Cuba has been in an American classic car heaven or automotive time warp, depending on your point of view. The antagonism between the U.S. government and recently deceased dictator Fidel Castro meant the majority of cars on Cuban roads are American throwbacks to the 1950s, left over from before trade embargoes and communism. So a brand new Infiniti Q60 on the streets of Havana is sure to turn a few heads. Taking advantage of the thaw in U.S.-Cuba relations, Infiniti brought its new coupe to Havana. It claims the red Q60 is the first U.S.-spec car registered in Cuba since 1959. The car will certainly stand out among the '50s sedans.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 09/12)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-3.8
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	14.5
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	0.7
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	12.9
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	8.7
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-0.2
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	8.5
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	7.1
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	2.5
German	1.8	1.4	1.9	0.5	0.6	0.4
UK	2.0	1.9	3.0	1.9	1.9	1.5
Japan	1.0	0.7	0.7	0.3	0.2	0.1
Ireland	8.4	4.5	3.4	1.3	1.1	1.0
Italy	7.1	4.6	4.1	2.1	1.6	2.0
Greece	31.7	12.7	8.2	9.6	7.9	6.6
Portugal	13.4	6.9	6.1	2.7	2.5	3.8
Spain	5.1	5.4	4.1	1.6	1.7	1.5
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/€)	1.30	1.31	1.37	1.21	1.09	1.06
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.84
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.27
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

*Past performance is not a reliable guide to future performance